

**Report of Actual Revenues and Expenditures Compared to Budget
Pursuant to Section 203.8(b) of Regulation 2 NYCRR Part 203
For the Fiscal Year Ended March 31, 2023**

The following table summarizes actual revenues and expenses, as reported in the Statement of Activities, for the fiscal year ended March 31, 2023, in comparison to amounts included in the final budget approved by NYSERDA's Board:

(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>% Variance</u>
Revenues:				
State appropriations	\$16,664	44,988	(28,324)	-63.0%
Utility surcharge assessments	563,347	795,753	(232,406)	-29.2%
Renewable energy credit proceeds	31,730	30,262	1,468	4.9%
Zero-emission credit assessments	590,031	611,848	(21,817)	-3.6%
Allowance auction proceeds	279,363	167,394	111,969	66.9%
Third-party reimbursements	53,624	58,356	(4,732)	-8.1%
Federal grants	13,494	9,416	4,078	43.3%
Interest subsidy	258	258	-	0.0%
Project Repayments	419	215	204	94.9%
Rentals from leases	1,127	1,005	122	12.1%
Fees and other income	13,811	11,008	2,803	25.5%
Loans and financing receivables interest	42,957	34,639	8,318	24.0%
Gain on sale of Loans and financing receivables	920	-	920	100.0%
Investment income	30,503	611	29,892	4892.3%
Total Revenues	<u>1,638,248</u>	<u>1,765,753</u>	<u>(127,505)</u>	<u>-7.2%</u>
Expenses:				
Salaries and benefits	65,076	66,233	(1,157)	-1.7%
Program expenditures	1,326,623	1,652,571	(325,948)	-19.7%
Investment related expenses	812	32	780	2437.5%
Program operating costs	3,655	4,773	(1,118)	-23.4%
General & administrative costs	11,913	11,726	187	1.6%
Depreciation	7,644	7,540	104	1.4%
New York State assessments	13,594	13,594	-	0.0%
Interest	3,586	3,240	346	10.7%
Total Expenses	<u>1,432,903</u>	<u>1,759,709</u>	<u>(326,806)</u>	<u>-18.6%</u>
Excess Revenues	<u>205,345</u>	<u>6,044</u>	<u>199,301</u>	<u>3297.5%</u>
Net Position, beginning of year	<u>1,685,336</u>	<u>1,685,336</u>	<u>-</u>	<u>0.0%</u>
Net Position, end of year				
Net investments in capital assets	11,069	10,440	629	6.0%
Restricted for specific programs	1,870,471	1,676,157	194,314	11.6%
Unrestricted	9,141	4,783	4,358	91.1%
Total Net Position, end of year	<u>\$1,890,681</u>	<u>1,691,380</u>	<u>199,301</u>	<u>11.8%</u>

Total revenues were approximately \$127.5 million (7.2%) under budget. With regard to significant revenue fluctuations, Utility surcharge assessments were lower than budgeted principally due to NY-Sun, CEF and Energy Storage program expenditures being less than budgeted. Zero-emission credit assessments were lower than budget primarily due to backstop mechanism revenues budgeted but not yet received, nor meeting revenue recognition requirements. Allowance auction proceeds were greater than budgeted primarily due to the average actual auction price being higher than budgeted. Third-party reimbursements were under budget principally due to lower Volkswagen settlement receipts than budgeted, offset in part by higher than anticipated New Efficiency New York program revenues recorded upon receipt based on a fixed payment schedule. Loans and financing receivables interest was over budget primarily due to NY Green Bank deployed capital volume, as well as an increase in spreads on variable interest rate loans. Investment income was much greater than budget primarily due to much higher market interest rates than were anticipated in the budget.

Total expenses were approximately \$326.8 million (-18.6%) under budget. With regard to significant expense fluctuations, Program expenditures were less than budgeted primarily due to the following: persistent inflation, ongoing supply chain constraints and labor challenges. Clean Energy Standard program spending was affected by commercial operation timing tied to interconnection and construction delays in the Tier 1 portfolio and sustained higher energy prices producing smaller payments under the indexed REC billing to generators. The NY-Sun program expenditures were primarily driven by general solar market challenges affecting the volume of community and residential solar projects reaching completion. The Energy Storage program experienced construction and interconnection delays, market uncertainties and project attrition. EV Prize program expenses were less than budget due to timing of contract awards having been delayed until after fiscal year end. Volkswagen settlement funds also contributed to the variance as a result of delivery timing within the Bus and Truck related programs.